

This job aid provides guidance for Health Plan Administrators (HPAs) who work with Health Coverage Tax Credit (HCTC) Finance & Accounting (F&A) representatives, when returning funds to the HCTC Program. The Internal Revenue Service (IRS) requires all HPAs returning funds to the HCTC Program to follow the standard procedures outlined below. This will reduce the number of HCTC calls to the HPA for additional information, and will ensure that the HCTC Program credits funds to the appropriate HCTC participant account.

When Do HPAs Return Funds to the HCTC Program?

HPAs will return funds to the HCTC Program for several reasons, such as:

- Participant's coverage ended or was cancelled
- Participant's premium amount or HPA changed
- Participant's HCTC eligibility status changed (e.g., the participant became Medicare-eligible or COBRA coverage ended)
- Incorrect HPA was paid

How Do HPAs Return Funds to the HCTC Program?

HPAs should follow the steps below to ensure the HCTC Program applies the returned funds to the appropriate HCTC participant account:

- ☐ Contact your HCTC F&A representative to inform them of any pending return. You will need to provide:
 - Participant name
 - Participant SSN (*if available*) or Member ID
 - Participant Plan/Group ID
 - Amount of each returned funds
 - Reason for returned funds to record in HCTC participant account history
- ☐ The HCTC F&A representative will document all information provided, and instruct you to fill out the "Return of Funds Form," which is located in the back of the HPA Guide.* You may also use an internal worksheet to document the calculations in lieu of the HCTC form.
- ☐ Fill out the "Return of Funds Form" in its entirety, or submit an internal worksheet with all required information.
- ☐ Send the completed form or internal worksheet to your HCTC F&A representative. **A form or internal worksheet MUST accompany ALL returned funds to ensure proper handling.**
- ☐ Returned funds can be sent to the HCTC Program via:
 - Reversal of an EFT (Electronic Funds Transfer) transaction
 - Return of a U.S. Department of Treasury issued check (*see attached "Return of Funds Form"*)
 - Submission of a HPA issued check (*see attached "Return of Funds Form"*) to the U.S. Bank lockbox clearly marked with the account number "1000000000," and made payable to US Treasury - HCTC

How Do HPAs Return Funds for Multiple Participants?

HPAs can return funds for **multiple individuals** using either of the following methods:

- Separate checks and completed forms for **each** participant (e.g., 20 individuals require 20 separate checks and 20 completed "Return of Funds Forms" or internal worksheets), or
- One bulk check, accompanied by a detailed list, is also acceptable. The detailed list **MUST** include the following information for each individual, to ensure funds are applied to the appropriate HCTC participant account (*see sample spreadsheet below*):
 - Participant name
 - Participant SSN (*if available*) or Member ID
 - Participant Plan/Group ID
 - Amount of each returned fund, and how it was calculated
 - Reason for returned fund (*see "Return of Funds Form" for details on describing the reason for return*)

Name	SSN	Group ID	Returned Funds	Reason	Calculation
Doe, John	123456789	1111	\$50.00	Premium Change	Premium change in 1/05. Old premium = \$100. New premium = \$50. 1 month overpayment. Medical = \$45; Other = \$5.

***For more information on the procedures for HPAs, please read the HCTC Health Plan Administrators Operations Guide on the IRS website at www.irs.gov (IRS Keyword: HCTC).**